



**County Administrative Office**  
**Governmental & Legislative Affairs**

**Josh Candelaria**  
Director

April 6, 2018

The Honorable Richard Pan, MD  
Chair, Senate Budget Subcommittee #3  
State Capitol, Room 5019  
Sacramento, CA 95814

The Honorable Joaquin Arambula, MD  
Chair, Assembly Budget Subcommittee #1  
State Capitol, Room 2160  
Sacramento, CA 95814

**Re: 340B Drug Discount Program from Medi-Cal**

Dear Chair Pan and Chair Arambula:

The County of San Bernardino respectfully request you to support our safety-net by rejecting the Governor's proposal to eliminate the 340B Drug Discount Program from Medi-Cal. The elimination of this vital drug discount program will have a devastating impact on California's safety net providers - harming low-income, vulnerable communities.

Congress created the 340B Drug Discount Program ("340B") in 1992 with the intention of allowing eligible health care providers, to purchase outpatient drugs at a substantial discount. Eligible providers are known as "covered entities" and the discounts come from pharmaceutical manufacturers. In California, 340B has been highly successful, enabling providers like Federally Qualified Health Centers, Critical Access Hospitals, public health care systems, and other safety-net providers with the ability to serve more patients with more comprehensive services and provide drugs at a lower cost.

The proposal to eliminate the 340B Drug Discount Program in Medi-Cal will adversely impact millions of Californians and will require providers to purchase drugs at much higher prices. The increased pharmacy costs could force providers to scale back many essential safety net services including reduced staffing, limit hours and facilities, and limit access to pharmacies. For some services that require costly drugs – such as cancer infusion and Hepatitis C treatment - providers could be forced to eliminate these programs all together.

At a time when our health care programs are facing incredible threats at the Federal level, stability in State policies and regulations that support California's safety-net institutions and programs are needed now more than ever.

For these reasons, the County of San Bernardino respectfully urges the committee to reject the Administration's proposal to eliminate the 340B Drug Discount Program in Medi-Cal and request that the Department of Health Care Services engage

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stakeholders to develop systems for the State to ensure program integrity and full compliance with Federal requirements. If you have any questions, please contact Josh Candelaria, Director of Governmental and Legislative Affairs at (909) 387-4821 or

Sincerely,

A handwritten signature in black ink, appearing to read "Robert A. Lovingood". The signature is fluid and cursive, with the first name "Robert" being more prominent than the last name "Lovingood".

Robert A. Lovingood  
First District Supervisor  
Chairman, San Bernardino County Board of Supervisors

c: San Bernardino County Legislative Delegation